

MONTGOMERY COUNTY, MARYLAND

FLEXPLAN DOCUMENT

ACTIVE EMPLOYEES

Effective January 1, 1999

As amended 1/1/2006

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ATTACHMENTS

SCHEDULE A

CHOICE PLAN

SCHEDULE B

SELECT PLAN

PREAMBLE

The FLEXPLAN ("Plan") of Montgomery County, Maryland (the "County"), consists of two Sub-plans, the Choice Plan, originally effective January 1, 1992, and the Select Plan originally effective October 1, 1994, as hereby amended. The Sub-plans consist of Component Plans which are hereby incorporated into this Plan. The Component Plans of the Choice Plan are set forth in Schedule A; the Component Plans of the Select Plan are set forth in Schedule B.

The purpose of the Plan is to allow Eligible Employees of the County to choose between certain Cash Benefits and Qualified Benefits provided by the County, so that they may best meet their individual needs.

The County intends that the Plan qualify as a "cafeteria plan" within the meaning of Section 125 of the Internal Revenue Code (the "Code") of 1986, as amended, and that certain of the Qualified Benefits that a Participant elects to receive under the Plan be eligible for exclusion from the Participant's income for tax purposes. It is also the intention of the County that the nontaxable benefits provided under this Plan will be excludable from the gross income of the Participant under Code Sections 79, 105, 106; or 129.

This document contains certain definitions and general administrative provisions which govern the FLEXPLAN, its Sub-plans and each Component Plan, except to the extent a Component Plan may expressly provide otherwise.

ARTICLE I

DEFINITIONS

The following words and phrases as used herein will have the following meanings, unless a different meaning is plainly required by context. Pronouns will be interpreted so that the masculine pronoun will include the feminine and the singular will include the plural, and the following rules of interpretation will apply in reading this instrument:

- 1.01 Administrator or Plan Administrator means the Chief Administrative Officer or such person designated by the County pursuant to Article V to administer the Plan on behalf of the County.
- 1.02 Benefits mean the Cash Benefits and the Qualified Benefits available under the Plan. No Benefit under this Plan may provide for deferred Compensation.
- 1.03 Benefit Cost means the cost of coverage for each Component Plan. The Benefit Cost is subject to change on an annual basis at the discretion of the Administrator or during a Plan Year to reflect a change in the coverage being provided.
- 1.04 Benefit Effective Date means the date on which an Eligible Employee's benefit election becomes effective. In general, the Benefit Effective Date will be January 1, following the Benefit Enrollment Period each year.

For newly hired Eligible Employees, the Benefit Effective Date will be the first day of active service with the County with respect to Mandatory Benefits, and the date that such employee completes and returns a Benefit Enrollment Form to the Administrator during the Benefit Enrollment Period for all other Benefits. In the case of a newly hired Eligible Employee who is a Full-time Employee and eligible for membership in the Employees' Retirement System, the Benefit Effective Date for long term disability insurance will be the first day after the completion of six (6) months of continuous active service with the County.

For employees who become newly Eligible Employees due to a Change in Employment Status, the Benefit Effective Date will be the first day of active service with the County under the new employment status with respect to Mandatory Benefits, and the date that such employee completes and returns a Benefit Enrollment Form to the Administrator during the Benefit Enrollment Period for all other Benefits.

In the case of an Eligible Employee who has a Change in Employment Status resulting in termination of eligibility under one Sub-plan and eligibility for another Sub-plan, the Benefit Effective Date will be the first day of active service with the County under the new employment status with respect to the Mandatory Benefits. Should such employee complete a Benefit Enrollment Form in accordance with Section 2.02, the Benefit Effective Date for the Benefits elected will be the date that such employee returns the completed Benefit Enrollment Form to the Administrator during the Benefit Enrollment Period. If the Eligible Employee fails to complete a Benefit Enrollment Form his Benefit Effective Date for the Benefits he is deemed to have elected under Section 2.03 will be

the first day of active service with the County under the new employment status. Should such Change in Employment Status cause an Eligible Employee who is a Full-time Employee to be eligible for membership in the Employees' Retirement System, the Benefit Effective Date for long term disability insurance will be the later of the first day of active service with the County under the new employment status or the first day after the completion of six (6) months of continuous active service with the County.

For Eligible Employees who have a Change in Status, the Benefit Effective Date will be the date the Eligible Employee gives proper and timely notification to the Administrator of the Change in Status. Notwithstanding the preceding, any newborn who becomes covered under a Component Plan offering health coverage will become covered on the date of birth.

- 1.05 Benefit Enrollment Period means the period during which an Eligible Employee may enroll in the Plan. In general, the Benefit Enrollment Period will occur during a specified time in the fourth quarter of each Plan Year, or such other dates as may be established by the Administrator, and announced to employees, in lieu of this date.

In the case of a newly hired Eligible Employee, the Benefit Enrollment Period will occur during the sixty (60) days commencing with such employee's date of hire.

For Eligible Employees that have a Change in Employment Status, the Benefit Enrollment Period will be within sixty (60) days commencing with such employee's Change in Employment Status.

- 1.06 Benefit Enrollment Form means the form(s) provided for the purpose of electing Benefits under the Plan. The Benefit Enrollment Form also serves as an Eligible Employee's authorization for Pay Reduction and Pay Deductions for the forthcoming Plan Year (or, if the Benefit Enrollment Form becomes effective after the beginning of the Plan Year, for the balance of the Plan Year), for the purposes of obtaining Benefits offered by the Plan.
- 1.07 Benefit Period means the Plan Year; provided, however, that in the case of a newly hired Eligible Employee, the Benefit Period will be the period commencing on his Benefit Effective Date and ending on the last day of the Plan Year in which such date occurs. For Eligible Employees that have a Change in Employment Status, the Benefit Period will commence on the Benefit Effective Date and end on the last day of the Plan Year in which the change occurred.
- 1.08 Cash Benefit means a Component Plan which may be purchased with after-tax dollars through Pay Deductions.
- 1.09 Change in Employment Status means the transfer of employment classification of an Eligible Employee, resulting in termination of eligibility under one Sub-plan and eligibility for another Sub-plan. A Change in Employment Status also includes the transfer of employment classification of an Employee resulting in his becoming a newly Eligible Employee.
- 1.10 Change in Status means an event described in Section 3.04.

- 1.11 Choice Plan means the flexible benefits plan adopted by the County on January 1, 1992, as amended and incorporated into the Plan as a Sub-plan.
- 1.12 COBRA means the Consolidated Omnibus Budget Reconciliation Act of 1985 which is incorporated into the Internal Revenue Code under Section 4980B and provides for continuation of employer health coverage after certain losses of health coverage.
- 1.13 Code means the Internal Revenue Code of 1986, as now in effect or as hereafter amended. All citations to sections of the Code are to such sections as they may from time to time be amended or renumbered.
- 1.14 Compensation means earned income, salary, wages, fees, commissions, overtime, bonuses, tips, and all other earnings of a Participant, reportable on a Form W-2 for the Plan Year, including amounts contributed by the Participant to the Plan, but excluding all other contributions to any other plan sponsored by the Employer, and all other forms of compensation.
- 1.15 Component Plan means each of the accident and health plans and group term life insurance plans which provide Benefits under the Sub-plans of this Plan, including medical, prescription, dental, vision, group term life insurance (and the associated accidental death and dismemberment coverage) and long term disability. Component Plans also include the Health Care Reimbursement Account Plan and the Dependent Care Reimbursement Account Plan. The Component Plans of the Choice Plan are set forth in Schedule A hereto; the Component Plans of the Select Plan are set forth in Schedule B hereto.
- 1.16 County means Montgomery County, Maryland, a political subdivision of the State of Maryland. The term "County" also includes any Participating Agency whose participation in the Plan has been approved by the Administrator.
- 1.17 County Cost means the amount of the Benefit Cost attributable to County contributions.
- 1.18 Dependent means one of the following:
- a. Legal spouse or eligible domestic partner of a Participant. The requirements for a domestic partner are set forth in the Domestic Partner Benefits document.
 - b. Unmarried children (including the unmarried children of a Participant's eligible domestic partner) under 19 years of age or up to 26 if a full-time student (meaning at least 12 credit hours per semester for college; for graduate school and accredited training programs, full-time status is defined by the institution) for whom the Participant provides over ½ of their support (if the Participant has a multiple support arrangement or other IRS arrangement regarding tax deductions with a former spouse, the child may be covered without regard to this requirement). The term "children" includes any natural children, any legally adopted children, any stepchildren who reside with the Participant, and any dependent children permanently residing in the Participant's for whom he has legal custody.

- c. An unmarried child (including an unmarried child of the Participant's eligible domestic partner) age 19 and older who is incapable of self-support because of a mental or physical disability, and who depends on the Participant for support. The disability must have begun before the dependent turned 19 or if covered under the Plan as a full time student, age 26.
- d. A child for whom the Participant must provide coverage through a Qualified Medical Child Support Order.

Proof of eligibility is required before coverage will be extended to any dependents. Pay Reductions may not be made for coverage for any Dependent who does not qualify as a dependent under the Internal Revenue Code.

- 1.19 Dependent Care Reimbursement Account Plan means the Montgomery County, Maryland Dependent Care Reimbursement Account Plan, as amended from time to time.
- 1.20 Effective Date means January 1, 2006, the effective date of the restated Plan.
- 1.21 Eligible Expense means an expense which is reimbursable, or an event or occurrence with respect to which Benefits are payable under the terms of a Component Plan.
- 1.22 Eligible Employee:
 - (a) With respect to the Choice Plan, Eligible Employee means (i) any individual who was hired prior to October 1, 1994 who is an elected or appointed official or a permanent elected or appointed official or a permanent Full-time or permanent Part-time Employee of the County or (ii) any individual hired on or after October 1, 1994 who is covered by a collective bargaining unit that has not agreed to be covered under the Select Plan.
 - (b) With respect to the Select Plan, Eligible Employee means any elected or appointed official and any permanent Full-time or permanent Part-time Employee of the County who was hired on or after October 1, 1994. Eligible Employee does not include any Part-time Employee who is scheduled to work less than 10 hours per week, and does not include any Employee covered by a collective bargaining unit which has not agreed to be covered by the Select Plan.
- 1.23 Employee Cost means the cost attributable to Pay Reductions and Pay Deductions.
- 1.24 Employees' Retirement System (ERS) means the system of retirement pay and benefits established under Section 33-36 of the Montgomery County Code.
- 1.25 Employer means Montgomery County, Maryland, and, if applicable, any Participating Agency.
- 1.26 Full-time Employee means any Employee working a normal scheduled work week of 40 hours on a continuing basis.

- 1.27 Health Care Reimbursement Account Plan means the Montgomery County, Maryland Health Care Reimbursement Account Plan, as amended from time to time.
- 1.28 Highly Compensated Participant means any Employee defined as such in Section 414(q) of the Code or spouse of such Employee.
- 1.29 HIPAA means the Health Insurance Portability and Accountability Act of 1996.
- 1.30 Mandatory Benefits mean the core level of coverage from the Component Plans that is required for all Eligible Employees. The Mandatory Benefits for the Choice Plan are identified in Schedule A; the Mandatory Benefits for the Select Plan are identified in Schedule B.
- 1.31 Part-time Employee means any Employee scheduled to work less than the normal 40 hours per week for Full-time Employees (but not less than 10 hours per week), on a continuing basis.
- 1.32 Participant means any Eligible Employee who has met the conditions for participation as set forth in Article II.
- 1.33 Participating Agency means any agency that has satisfied the requirements of Sections 33-36(b) or 33-114(b) of the Montgomery County Code and has signed an adoption agreement evidencing its intention to participate in the Plan. If, prior to the Effective Date, a Participating Agency had adopted each of the incorporated Sub-plans, then that Participating Agency is deemed as having adopted the Plan. A Participating Agency may choose not to offer certain of the Component Plans to its Eligible Employees. A Participating Agency may also choose an alternative Benefit Cost split with its Eligible Employees to those set forth in Schedules A and B hereto.
- 1.34 Pay Deduction means the allocation of an Eligible Employee's after-tax dollars made in consideration for such Eligible Employee's participation in a Component Plan. The Plan will designate which Component Plans are eligible for the allocation of after-tax dollars by an Eligible Employee.
- 1.35 Pay Reduction means the reduction of an Eligible Employee's Compensation made in consideration for such Eligible Employee's participation in a Component Plan which is a Qualified Benefit and designated by the Plan as eligible for the allocation of such reduction by an Eligible Employee. Such Pay Reduction will be treated as Employer contributions for purposes of Section 125 of the Code. Pay Reductions may not be made for coverage for any Dependent who does not qualify as a dependent under the Internal Revenue Code.
- 1.36 Plan means the Montgomery County, Maryland FLEXPLAN, as may be amended from time to time.
- 1.37 Plan Year means the twelve month period commencing on each January 1 and ending on each December 31.

- 1.38 Qualified Beneficiary means any individual eligible to continue health care coverage under COBRA as a result of a Qualifying Event.
- 1.39 Qualified Benefit means a Component Plan which may be purchased on a pre-tax basis through Section 125 of the Code and the regulations promulgated thereunder.
- 1.40 Qualifying Event means any event described in Section 4980B of the Code which gives a Qualified Beneficiary the right to continue health care coverage under COBRA.
- 1.41 Regulations mean the applicable regulations issued under the Code by the Internal Revenue Service or any other governmental agency with appropriate authority pursuant to any other applicable federal law, and any rules, notices or releases promulgated by any such authorities.
- 1.42 Retirement Savings Plan (RSP) means the defined contribution retirement plan established under Section 33-114 of the Montgomery County Code.
- 1.43 Select Plan means the flexible benefits plan adopted by the County on October 1, 1994, as amended and incorporated into the Plan as a Sub-plan as of the Effective Date.
- 1.44 Sub-plan means each flexible benefit plan arrangement maintained by the County and incorporated under the Plan. As of the Effective Date, the Sub-plans consist of the Choice Plan and the Select Plan.

ARTICLE II

ELIGIBILITY AND PARTICIPATION

- 2.01 Eligibility. Each Eligible Employee will be eligible to enroll in the Plan and elect to participate in one or more Component Plans during each Benefit Enrollment Period.
- 2.02 Enrollment. Each Eligible Employee who is eligible to participate in the Plan will be deemed to have elected the Component Plans which satisfy the Mandatory Benefits and will be deemed to have authorized the Employee Cost associated with such plans. To elect Benefits other than Mandatory Benefits, each Eligible Employee will be required to complete a Benefit Enrollment Form during the Benefit Enrollment Period. This form will indicate the Component Plans in which such employee has elected to participate and for which such employee authorizes the Employee Cost associated with such plans. Applicable Pay Deductions and/or Pay Reductions will commence on a non-pro rated basis as soon as practicable after submission of the Benefit Enrollment Form, without regard to the pay period. In the case of a Change in Employment Status, the Pay Reduction allocated with respect to the Health Care Reimbursement Account Plan must at least equal the Pay Reduction previously in effect prior to the Change in Employment Status.
- 2.03 Failure to Submit a Benefit Enrollment Form.

(a) New hires (including Employees who become newly Eligible Employees due to a Change in Employment Status):

Should a newly hired Eligible Employee fail to complete and/or return a Benefit Enrollment Form prior to the end of the applicable Benefit Enrollment Period, such employee will be deemed to have made the following elections and authorized any associated Employee Cost for the corresponding Benefit Period:

- (i) Such employee will be deemed to have elected the Mandatory Benefits.
- (ii) Such employee will be deemed to have elected no coverage for medical, prescription, dental, vision, optional term life insurance (and the associated accidental death and dismemberment coverage) and dependent life insurance.
- (iii) Such employee will be deemed to have elected to allocate \$-0- Pay Reduction to each of the Dependent Care Reimbursement Account Plan and the Health Care Reimbursement Account Plan.

(b) Current Participants: Should a Participant in a Sub-plan fail to complete and/or return a Benefit Enrollment Form for that same Sub-plan prior to the end of the applicable Benefit Enrollment Period, such employee will be deemed to have made the following elections and authorized any associated Employee Cost for the corresponding Benefit Period:

- (i) Such employee will be deemed to have elected the Mandatory Benefits.
- (ii) Such employee will be deemed to have elected the Component Plans for medical, prescription, dental, vision, optional term life insurance (and the associated accidental death and dismemberment coverage) and dependent life insurance that represent the same (or as comparable as possible) election of Benefits as the preceding Plan Year.
- (iii) Such employee will be deemed to have elected to allocate \$-0- Pay Reduction to each of the Dependent Care Reimbursement Account Plan and the Health Care Reimbursement Account Plan.

(c) Change in Employment Status (resulting in termination of eligibility under one Sub-plan and eligibility for another Sub-plan offered by the County):

Until such time that an Eligible Employee who has a Change in Employment Status completes and returns a Benefit Enrollment Form for his new Sub-plan, such employee will be deemed to have made the elections listed below and authorized any associated Employee Cost. In addition, if the employee fails to complete and/or return a Benefit Enrollment Form for his new Sub-plan prior to the end of the applicable Benefit Enrollment Period, such employee will be deemed to have made the elections listed below and authorized the associated Employee Cost for the corresponding Benefit Period:

- (i) Such employee will be deemed to have elected the Mandatory Benefits.
- (ii) Such employee will be deemed to have elected the Component Plans for medical, prescription, dental, vision, optional term life insurance (and the associated accidental death and dismemberment coverage) and dependent life insurance that represent the same (or as comparable as possible) Benefits previously in effect under his former Sub-plan. If a Component Plan previously in effect under his former Sub-plan is not available in his new Sub-plan, there will be no such coverage under his new Sub-plan.
- (iii) Such employee will be deemed to have elected to allocate the same amount of Pay Reduction to each of the Dependent Care Reimbursement Account Plan and the Health Care Reimbursement Account Plan as previously in effect under his former Sub-plan.

2.04 Change in Status. In the event an Eligible Employee incurs a Change in Status during the Benefit Period, such employee may take any one or more of the following actions within sixty (60) days of the occurrence of the Change in Status, provided such action or actions are on account of and correspond with the Change in Status:

- (a) Revoke an election of coverage under one or more Component Plans other than Mandatory Benefits and, only as permitted under Section 2.06 for the Health Care Reimbursement Account Plan.
- (b) Elect coverage or change an election under one or more Component Plans, provided that any change affecting the Health Care Reimbursement Account Plan will increase, but not decrease the Pay Reduction.

In the event an Eligible Employee desires to revoke or change an election, or make an election because of a Change in Status, such employee must notify the Administrator using the form or forms prescribed by the Administrator. Following notification by such employee, the Employee Cost will commence on a non-pro rated basis as soon as practicable, without regard to the pay period. Any election, revocation or change pursuant to this Section 2.04 will be effective as of the date of the Administrator is notified of the Change in Status. Notwithstanding the preceding, any Component Plan offering health coverage of a newborn is effective as of the date of the Change in Status.

2.05 Effect of Elections, Revocations and Changes During a Benefit Period.

- (a) Elections: If an election of coverage under a Component Plan is made after the beginning of a Benefit Period pursuant to Section 2.04, Benefits under such plan will be payable only for Eligible Expenses incurred on or after the Benefit Effective Date.
- (b) Revocations: If an election of coverage under a Component Plan is revoked after

the beginning of the Benefit Period pursuant to Section 2.04, Benefits will be payable for Eligible Expenses incurred on or after the first day of the Benefit Period in which such revocation is effective but prior to the effective date of such revocation; these provisions will also apply to coverage that is canceled under Sections 2.06 and 2.07.

(c) Changes:

- (i) If an election of coverage under a Component Plan, other than the Health Care Reimbursement Account Plan, is changed to increase or decrease the extent of such coverage after the beginning of a Benefit Period pursuant to Section 2.04, benefits payable with respect to Eligible Expenses incurred (1) on or after the first day of such Benefit Period but prior to the effective date of such change will be determined in accordance with the Component Plan as elected before such change, and (2) on or after the effective date of the change will be determined in accordance with the Component Plan as affected by the change in election.
- (ii) If an election affecting the maximum reimbursement under the Health Care Reimbursement Account Plan is changed to increase the amount of such maximum reimbursement after the beginning of a Benefit Period pursuant to Section 2.04, Eligible Expenses incurred (1) on or after the first day of such Benefit Period but prior to the effective date of such change, will be reimbursed up to the original maximum reimbursement level as in effect prior to such change, and (2) on or after the effective date of such change, will be reimbursed up to an amount equal to the maximum amount reimbursable pursuant to such change reduced by the amount of Eligible Expenses incurred and reimbursed prior to the effective date of such change.

2.06 Leave of Absence. An Eligible Employee granted an authorized leave of absence under the regulations and policies prescribed by the County, is eligible to continue coverage in accordance with the following provisions:

- (a) An Eligible Employee on a paid leave of absence will continue in the Plan and be deemed to have no change in his employment, or eligibility, or coverage status.
- (b) An Eligible Employee on an unpaid leave of absence including an unpaid leave under FMLA or the Uniformed Services Employment and Reemployment Rights Act of 1994 (USERRA) will continue in the Plan as follows:
 - (i) FMLA: Coverage under the Plan if he is enrolled on the day immediately preceding the commencement of the FMLA leave may be continued for the duration of the FMLA leave.

USERRA: Coverage under the Plan if he is enrolled on the day immediately preceding the commencement of such leave may be continue for the lesser of 18 months or until the Eligible Employee fails to apply for

reinstatement or to return to employment with the County.

Other Approved Leave: Coverage under the Plan if he is enrolled on the day immediately preceding the commencement of the unpaid leave of absence may be continued for the period of time established under the regulations and policies of the County applicable to the reason for such leave.

- (ii) An Eligible Employee may revoke his election of coverage under the Plan for the remainder of the Plan Year in which such leave commences.
- (iii) While on such leave, an Eligible Employee is entitled to revoke or change elections if he incurs a Change in Status and may also make elections during the Benefit Enrollment Period.
- (iv) The Eligible Employee may pre-pay the amount equal to the Employee Cost associated with the Component Plans before commencement of such leave (generally on a pre-tax basis with respect to the same Plan Year during which such leave will occur or on an after-tax basis for other Benefits).
- (v) If the Eligible Employee does not pre-pay and does not revoke his participation, during the period of leave, an Eligible Employee will be responsible for the amount equal to the Employee Cost associated with the Component Plans (generally on an after-tax basis).

For FMLA, USERRA and parental leave, if an Eligible Employee fails to pay that amount during the leave period, the County will recover the money owed from such employee's pay check when he returns to work either on a pre-tax basis with respect to the same Plan Year during which such leave occurs or on an after-tax basis. If the Eligible Employee fails to return to County employment after the leave, the Eligible Employee must repay the County on an after-tax basis except to the extent prohibited under FMLA.

For leave other than FMLA, USERRA or parental, if an Eligible Employee fails to pay the amount during the leave period, coverage under the Plan will be cancelled.

- (vi) If the Eligible Employee has not revoked coverage or had coverage cancelled, the Employee Cost associated with the Component Plans will resume automatically upon return to pay status from leave.
- (vii) If the Eligible Employee had revoked coverage, the Employee returning from leave within the same Plan Year, may elect, within sixty (60) days of returning to pay status, to be reinstated in the Plan on the same terms that applied to him prior to taking such leave, and with such other rights to revoke or change elections as are provided to other Plan Participants.

Such employee who returns from leave in a subsequent Plan Year will be required to complete a Benefit Enrollment Form applicable to the balance of such Plan Year. An Eligible Employee who fails to submit such Benefit Enrollment Form will be treated in the same manner as a current Participant described in Section 2.03 (b), substituting “sixty (60) days of returning to pay status” for the Benefit Enrollment Period.

- (viii) An Eligible Employee who revoked participation during his leave will not receive any Benefits during the leave unless he subsequently elects reinstatement. Notwithstanding the preceding, if the Eligible Employee subsequently elects reinstatement, he may receive Eligible Expenses or Benefits if provided for under the terms and conditions of the Component Plan.

2.07 Missed Allocations. Should there be insufficient funds to execute an Eligible Employee’s authorized pro-rata Pay Reduction and/or Payroll Deduction, the Plan Administrator will authorize collection of the missed allocations from future pay checks during the Plan Year. If the missed allocations cannot be collected for any reason during the Plan Year, coverage under the affected Component Plans will be canceled.

2.08 Termination of Employment. Upon termination of employment or if a Participant ceases to be an Eligible Employee, participation in the Plan will cease. A terminated Employee will be entitled to reimbursement of claims for Eligible Expenses incurred prior to his termination of employment provided such employee applies for the reimbursement within the time periods established in the applicable Component Plans. Those Component Plans that provide health care and medical coverage may be available to Qualified Beneficiaries pursuant to the provisions of COBRA. If a terminated Employee is re-employed by the County in the same Plan Year as the termination was effective, such employee may not make a new election of coverage for that Plan Year. However, a terminated Employee may re-enroll under the same elections of coverage in effect on the day before such termination, provided such re-enrollment occurs within sixty (60) days of the re-employment date. Terminated Employees who are re-employed by the County in a subsequent Plan Year as the termination was effective, will be treated as new hires for purposes of enrollment.

ARTICLE III

BENEFIT ELECTIONS

3.01 Filing of Benefit Elections. All Benefit Enrollment Forms and other communications from any Eligible Employee or other person to the Administrator required or permitted under the Plan will be in such form as is prescribed from time to time by the Administrator, will be delivered in such a manner and to such location as will be specified by the Administrator, and will be deemed to have been given and delivered only upon actual receipt thereof by the Administrator at such location. Each Eligible

Employee will file with his Benefit Enrollment Form such pertinent information as the Administrator may specify, and no such employee or other person will have any rights or be entitled to any Benefits under the Plan unless such information is filed by or with respect to him in accordance with any requirements specified by the Administrator.

- 3.02 Elections and Periods During Which Elections May Be Made. An Eligible Employee may elect coverage for himself and his Dependents under one or more Component Plans in accordance with Section 3.06 by submitting a Benefit Enrollment Form to the Administrator during a Benefit Enrollment Period.

An Eligible Employee will pay for coverage for a Dependent who does not qualify as a dependent as defined under the relevant provisions of the Internal Revenue Code by Pay Reductions.

- 3.03 Duration of Elections. Benefit elections will generally be effective for the Benefit Period to which such election relates.

- 3.04 Change in Elections. Benefit elections applicable to a certain Benefit Period may not be revoked or changed during such Benefit Period except in the event the Plan is terminated or as provided in Section 2.04 to reflect a Change in Status which will be deemed to occur under the following circumstances (or as provided in applicable Regulations):

- (a) Legal marital status. Events that change the legal marital status of an Eligible Employee such as marriage, the death of a spouse, divorce, legal separation, and annulment.
- (b) Number of dependents. Events that change the number of an Eligible Employee's dependents such as birth, death, adoption, and placement for adoption of a child.
- (c) Employment status. The following events that change the employment status of the Eligible Employee or the Eligible Employee's Dependent:
 - (i) a termination or commencement of employment,
 - (ii) a strike or lockout,
 - (iii) a commencement of or return from an unpaid leave of absence, or
 - (iv) a change in a worksite.
 - (v) a change in employment status which changes eligibility under the plan of the person's employer.
- (d) Dependent's eligibility for coverage. Events that cause the dependent of an Eligible Employee to satisfy or cease to satisfy eligibility requirements for coverage such as attainment of a certain age or student status.
- (e) Residence. A change in the place of residence of the Eligible Employee or

Dependent.

- (f) Special rule for court-ordered health coverage of child. A judgment, decree, or order resulting from a divorce, legal separation, annulment, or change in legal custody (including a qualified medical child support order) that requires accident or health coverage for an Eligible Employee's child or foster child who is a Dependent of the Eligible Employee.

An Eligible Employee may elect to cancel coverage for the child if the order requires another individual to provide coverage for the child.

- (g) Special rule for Medicare or Medicaid entitlement of Eligible Employee or Dependent. An Eligible Employee may cancel coverage of the Eligible Employee, spouse, or dependent under the Component Plan providing health coverage if the Eligible Employee or Dependent becomes entitled to Medicare or Medicaid coverage.

If an Eligible Employee or Dependent loses eligibility for Medicare or Medicaid coverage, the Eligible Employee may elect to commence coverage of that person under the Component Plan providing health coverage.

- (h) Health cost or coverage changes. When a significant change occurs in the health cost or coverage of an Eligible Employee or his Dependent attributable to the spouse's health plan, a change to another health plan with similar coverage may be permitted.
- (i) A change may be permitted to correspond with the open enrollment period of a Dependent's employer. No change may be made to the Health Care Reimbursement Account Plan.
- (j) The occurrence of a special enrollment period, as defined in Section 9801(f) of the Code.
- (k) Dependent care – cost changes. An Eligible Employee may change an election for the Dependent Care Reimbursement Account in the event of a cost change, but only if the dependent care provider is not a relative of the Eligible Employee listed below:

- i. son or daughter or descendant of either
- ii. stepson or daughter
- iii. brother, sister, stepbrother or stepsister
- iv. father, mother or ancestor of either
- v. stepfather or stepmother
- vi. brother or sister of father or mother
- vii. son or daughter of brother or sister
- viii. son-in-law, daughter in law, father in law, mother in law, brother in law or sister in law

- (l) Dependent care – coverage changes. An Eligible Employee may change an election for the Dependent Care Reimbursement Account when one dependent care provider is replaced by another.
- (m) Any other event which qualifies as a Change in Status under Code Section 125 or the regulations.

Any election, revocation or change made by an Eligible Employee must be on account of and must correspond with the Change in Status that affects eligibility for coverage under the Plan or a Component Plan. The effect of any election, revocation or change during a Benefit Period will be governed by Section 2.05.

- 3.05 Plan Administration Review. The Administrator or a designated representative will review each Benefit Enrollment Form that is submitted by an Eligible Employee to determine whether the Benefit Enrollment Form is accompanied by all required documentation.

The Administrator or a designated representative will review all requests for a change in an Eligible Employee's elections due to a Change in Status and determine (a) if the indicated Change in Status is consistent with Article 3.04 and (b) if the request for such a change is accompanied by all required documentation.

Under all circumstances, the Administrator reserves the right to request additional documentation.

- 3.06 Election of Benefits. An Eligible Employee may elect, in accordance with Section 3.02, to have Pay Reductions and/or Pay Deductions applied to pay contributions required under the Component Plans in which he has elected to participate. In addition, an Eligible Employee can authorize the County to direct Pay Reductions to the Dependent Care Reimbursement Account Plan and the Health Care Reimbursement Account Plan in accordance with the terms and conditions of each of these Component Plans.

- 3.07 Insurance Contracts. Some or all of the Benefits provided under the Plan may be provided by the purchase of insurance contracts issued by one or more insurance companies, or health care contracts issued by or provided through a health care service provider, qualified health maintenance organization or preferred provider organization. If Benefits are provided by insurance contracts, any benefits or Eligible Expenses will only be paid from the insurance contract and not by the County. Any dividends, retroactive rates or other refunds which may become payable under any insurance or health care service contracts or benefit programs due to actuarial error in rate calculation will be the property of and retained by the County.

- 3.08 Nondiscrimination. Contributions and Benefits under the Plan will not discriminate in favor of Highly Compensated Participants. The Employer may limit or deny any Eligible Employee's Pay Reduction as authorized on the Benefit Enrollment Form to the extent necessary to avoid any such discrimination.

ARTICLE IV
FUNDING OF BENEFITS

- 4.01 Funding. In addition to any direct contributions by Qualified Beneficiaries, Benefits will be funded, in part, through Pay Reduction and Pay Deduction of Eligible Employees. The Compensation received by each Eligible Employee during a Benefit Period will be reduced, before taxes are calculated, by the amount designated by such employee for Pay Reduction. Compensation will be reduced after taxes are calculated by the amount designated by such employee for Pay Deductions. The Employee Cost will be prorated over each payroll period.
- 4.02 Limitation. The Administrator reserves the right to convert an Eligible Employee's Pay Reduction allocation to after-tax dollars as necessary in order to comply with all nondiscrimination requirements and other applicable legislation or Regulations. Conversion of Pay Reduction allocations will result in such employee receiving the converted amount as taxable cash pro-rata throughout the year. Any necessary conversions will be applied first to the Dependent Care Reimbursement Account Plan, and then to the Health Care Reimbursement Account Plan. In the event it will be necessary to convert additional Pay Reduction allocations to after-tax contributions for a Benefit Period, the affected Eligible Employee's elections of coverage under other Component Plans for that Benefit Period will remain in force but the Pay Reductions allocated to such Component Plans will be treated as Pay Deductions. Employees will be notified within 30 days of the time any necessary conversions of their allocation occurs.
- 4.03 Forfeiture of Unused Pay Reduction, Pay Deduction and/or Direct Contributions by Qualified Beneficiaries. Amounts of Pay Reduction, Pay Deduction and/or direct contributions by Qualified Beneficiaries will be used to (a) provide coverage under the Component Plans elected by an Eligible Employee or Qualified Beneficiary for the Benefit Period to which such election applies and (b) pay certain expenses related to Plan administration. Any amounts of Pay Reduction allocated by an Eligible Employee to the Dependent Care Reimbursement Account Plan or the Health Care Reimbursement Account Plan which have not been reimbursed for Eligible Expenses incurred during the Benefit Period will be forfeited by the Eligible Employee. In addition, any termination of coverage under any other Component Plan for any reason will not entitle any Eligible Employee or any other person to refund of the amount of Employee Cost allocated to any such plan on or prior to the termination of such coverage.
- 4.04 COBRA Compliance. In the event an Eligible Employee or a Qualified Beneficiary becomes eligible to continue coverage for Benefits elected under the Plan that pertain to health care and medical coverage, including medical, prescription, dental, vision, or the Health Care Reimbursement Account Plan, under COBRA, the following will apply:
- (a) The health care and medical coverage in effect the day before the Qualifying Event may be continued in accordance with COBRA and applicable Regulations. The Administrator, or his designated representative will notify the Eligible Employee and/or any Qualified Beneficiary as to the cost and contribution method for continuing this coverage.

- (b) During the Benefit Enrollment Period concurrent with or next following the Qualifying Event, all Qualified Beneficiaries will be eligible to chose the Benefits that pertain to health care and medical coverage they wish to continue for the forthcoming Plan Year; however, such continuation of coverage may not exceed the period of time required under COBRA.
- (c) No Qualified Beneficiary will be eligible to enter into a salary reduction agreement pursuant to Section 4.01.

ARTICLE V

ADMINISTRATION

5.01 Administrator. The Chief Administrative Officer will be the Administrator of the Plan.

5.02 Authority. The Administrator is responsible for the administration of the Plan, and has all powers as may be necessary to administer the Plan. The Administrator is responsible for all discretionary matters arising in the interpretation, operation and administration of the Plan. Any action taken on any matter within the discretion of the Administrator will be final, conclusive and binding on all parties. The Administrator may appoint one or more agents to assist in the administration of the Plan, including various discretionary duties. To the extent the Administrator appoints one or more agents to assist in the administration of the Plan, the agent or agents must perform such delegated duties in accordance with the terms hereof.

If a Participating Agency desires coverage for its employees under the terms of this Plan, an appropriate officer of such agency must make a written request to the Administrator in order to obtain approval for participation in the Plan. The Administrator may request the submission of information and/or documents, and may require the execution of documents, as the Administrator considers necessary under the circumstances. The Administrator may deny the request of a Participating Agency for any reason which would unduly burden the administration of the Plan or duly increase the cost to the County of administering the Plan, or which would impair the tax-favored status of the Plan from either the standpoint of the County or the Participating Agency. If the Administrator approves the request, the approval must be in writing and it must specify an effective date for the commencement of participation of the Participating Agency. The County will incur no liability with respect to the inclusion in the Plan of the employees of a Participating Agency. Each Participating Agency will be fully responsible for its employees and any necessary cost for administrative services provided by the County.

5.03 Rights and Duties. The Administrator has the following powers and duties:

- (a) To require any person to furnish such information as may be necessary for the proper administration of the Plan, as a condition of receiving any Benefit under the Plan.

- (b) To make and enforce such rules and regulations and prescribe the use of such forms as deemed necessary for the administration of the Plan.
- (c) To interpret the Plan and to resolve ambiguities, inconsistencies, and omissions.
- (d) To decide on questions concerning the Plan and the eligibility of any employee to participate therein.
- (e) To determine the amount of Benefits which will be payable to any person in accordance with the provisions of the Plan.
- (f) To direct all payments to be made by the County pursuant to the Plan.

5.04 Records. The Administrator will maintain records showing the fiscal transactions of this Plan.

5.05 Reliance on Advisors. The Administrator, any person to whom he may delegate any duty or power in connection with administering this Plan, and the County and employees thereof, will be entitled to rely conclusively upon, and will be fully protected in any action taken or suffered by him in good faith in reliance upon any actuary, accountant, counsel, specialist, or other person selected by the Administrator.

5.07 Delegation. The Administrator may authorize any agent to make any payment on his behalf, or to execute or deliver any instrument and/or to handle the day-to-day general administration of the Plan.

5.08 Application for Benefits.

- (a) Under the terms of the Component Plans, claim forms and other documentation may be required prior to the payment of benefits under the Component Plans.
- (b) The Component Plans provide the applicable time limits for payment of benefits. Any claim for Benefits under the Plan will be acted upon and approved or disapproved within ninety (90) days following receipt by the Administrator, or within one hundred eighty (180) days, if special circumstances require an extension of time for processing the claim, and if written notice of such extension and circumstances is given to such person within the initial ninety (90) day period. If such notification is not given within such period, the claims will be considered denied as of the last day of such period, and such person may then request a review of his claim, as set forth in Section 5.10, below.

5.09 Claims Procedure. The terms of the Component Plans provide applicable time limits for payment of benefits. Any claim for Benefits under the Plan will be made by the Administrator. Any denial by the Administrator of a claim for Benefits under this Plan by a Participant will be in writing by the Administrator and delivered or mailed to the Participant; and such notice will set forth the specific reasons for the denial, written in a manner intended to be understood without legal counsel. In addition, the Administrator

will afford a reasonable opportunity to any Participant whose claim has been denied for a review of the decision denying such claim.

- 5.10 Appeals Procedure. The terms of the Component Plans provide applicable time limits for payment of benefits.. If a Participant wants a review of the decision under this Plan, within sixty (60) days after receiving or being deemed to receive a written notice of denial of the claim, the Participant or the Participant's authorized representative must file written notice of a request for review with the Administrator. The Administrator may extend the sixty (60) day period where the attendant circumstances make such extension appropriate. The Administrator will submit the written decision within sixty (60) days after receipt of the request for review, unless special circumstances require an extension of time for processing, in which case a decision will be rendered as soon as possible, but not later than one hundred twenty (120) days after the receipt of a request for review. The decision on the review will be in writing and will include the specific reasons for the decision, written in a manner intended to be understood without legal counsel. If a decision is not made within such period, the claim will be considered denied.

ARTICLE VI

AMENDMENT AND TERMINATION

- 6.01 Amendment by the County. The County expects to continue the Plan, but it is the County's position that there is no implied contract between employees and the County to do so. The County reserves the right at any time and for any lawful reason to amend the program, subject to the County's collective bargaining agreements, where applicable. The County may amend this Plan at any time, either prospectively or retroactively, to conform to the Code.
- 6.02 Termination of Plan. Upon termination of the Plan, the Administrator will make payment or provision for the payment of Benefits to each Employee to whom Benefits are payable on the date of termination.
- 6.03 Impact of Termination on Compensation. Upon termination of the Plan, any Pay Reductions and/or Pay Deductions attributable to Compensation payable thereafter to an Eligible Employee will cease. In this event, any Compensation received by such employee after such Plan termination will equal the amount he would have received in the absence of this Plan. However, the amounts of Pay Reduction and/or Pay Deductions allocated to this Plan prior to termination of the Plan will not be refunded.

ARTICLE VII

GENERAL PROVISIONS

- 7.01 Employment Rights. Nothing contained in the Plan will give any Employee the right to be retained in the employment of the County or affect the right of the County to dismiss any Employee at any time and for any lawful reason. The adoption and maintenance of

the Plan will not constitute a contract between the County and any Employee or consideration for, an inducement to, or condition of, the employment of any Employee.

- 7.02 Facility of Payment. If the Administrator will find that any person to whom any amount is payable under the Plan is unable to care for his affairs because of illness or accident, or is a minor, or has died, then any payment due to him or his estate (unless a prior claim has been made by a duly appointed legal representative) may, if the Administrator so elects, be paid to his spouse, a child, a relative, an institution maintaining or having custody of such person, or any other person deemed by the Administrator to be a proper recipient on behalf of such person otherwise entitled to payment. Any such payment will be a complete discharge of the liability of the County, the Administrator and the Plan.
- 7.03 Transmittal of Notices. All notices, statements, reports, and other communications from the Administrator to any Employee or other person required or permitted under the Plan will be deemed to have been duly given when delivered to, or when mailed by first-class mail, postage prepaid and addressed to such Eligible Employee, or other person at his mailing address last appearing on the records of the Administrator.
- 7.04 Governing Law. This Plan and all rights thereunder will be governed by and construed in accordance with the laws of the State of Maryland and all provisions hereof will be administered according to the laws of such state, to the extent not preempted by applicable federal laws and Regulations.
- 7.05 Text Prevails over Captions. The headings and subheadings of the Articles and Sections of the Plan are included herein solely for the convenience of reference, and if there is any conflict between such headings and subdivisions and the text of this Plan, the text will control.
- 7.06 Successors and Assigns. This Plan will inure to the benefit of, and be binding upon, the parties hereto and their successors and assigns.
- 7.07 Alienation of Benefits. Except as otherwise provided by law and by contract governing any Benefit offered under this Plan, no Benefits under this Plan may be voluntarily or involuntarily assigned or alienated.
- 7.08 Tax Effects. Neither the County nor the Administrator makes any warranty or other representation as to whether payments received by the Participant under the Plan will be treated as includible in gross income for federal or state income tax purposes.
- 7.09 Proof of Claim. As a condition of receiving Benefits under the Plan, any person may be required to submit whatever proof the County may require either directly or indirectly to the County or to any person delegated by it.
- 7.10 Severability. If any provision of this Plan will be held invalid or unenforceable, such invalidity or unenforceability will not affect any other provision, and this Plan will be construed and enforced as if such provision had not been included.
- 7.11 Multiple Functions. Any person or group of persons may serve in more than one

fiduciary capacity with respect to the Plan.

- 7.12 Gender and Form. Unless the context clearly indicates otherwise, pronouns will be interpreted so that the masculine pronoun will include the feminine, and the singular will include the plural.
- 7.13 Health Insurance Portability and Accountability Act. The Plan will follow the regulations issued at 45 CFR Parts 160 and 164 (“the HIPAA regulations”), which impose privacy and security obligations on group health plans by restricting the use and disclosure of protected health information (“PHI”);

The Plan may disclose a Participant’s PHI to the County (or to the County’s agent) for the following Plan administration functions under 45 CFR 164.504(a), to the extent not inconsistent with the HIPAA regulations:

- Appeals of Adverse Benefit determinations
- Customer Service or related activities to resolve Participant claim and eligibility issues
- Data Analysis
- As otherwise permitted or required by law.

The Plan has received a certification that the County agrees it will:

- a. Not use or further disclose such PHI other than as permitted by the HIPAA regulations;
- b. Ensure that any of its agents, including a subcontractor, to whom it provides the PHI including electronic PHI agrees to the same restrictions and conditions that apply to the County;
- c. Not use or disclose the PHI for employment-related actions and decisions or in connection with any other benefit or employee benefit plans of the County;
- d. Report to the Plan any use or disclosure of the PHI or any security incident that is inconsistent with the uses or disclosures provided for of which the County becomes aware;
- e. Make the PHI of a Participant available for purposes of the Participant’s requests for inspection, copying, and Amendment, and carry out such requests in accordance with HIPAA regulation 45 CFR 164.524 and 164.526;
- f. Make the PHI of a particular Participant available for purposes of required accounting of disclosures by Montgomery County pursuant to the Participant’s request for such an accounting in accordance with HIPAA regulation 45 CFR §164.528;
- g. Make the County’s internal practices, books, and records relating to the use and disclosure of PHI received from the Plan available to the Secretary of the U.S.

Department of Health and Human Services for purposes of determining compliance by the Plan with HIPAA;

- h. If feasible, return or destroy all PHI received from the Plan that the County maintains in any form and retain no copies of such information when no longer needed for the purpose for which disclosure was made, except that, if such return or destruction is not feasible, Montgomery County agrees to limit further uses and disclosures to those purposes that make the return or destruction of the information infeasible; and
- i. Ensure that there is adequate separation supported by reasonable and appropriate security measures between the Plan and Montgomery County as follows:
 - (1) Employees With Access to PHI: Staff from the Office of Human Resources and County Attorney's Office charged with plan administrative activities associated with treatment, payment and health care operations of the Plan are the only individuals that may access PHI from the Plan.
 - (2) Use Limited to Plan Administration: The access to and use of PHI by the individuals described in (1) is limited to Plan Administration functions as defined in HIPAA regulation 45 CFR §164.504(a) that are performed by the County.
 - (3) Mechanism for Resolving Noncompliance: If the County determines that any person described in (1), above, has violated any of these restrictions, then the individual shall be disciplined in accordance with the policies the County established for privacy compliance. The County shall maintain records of violations as well as disciplinary and corrective measures taken with respect to each incident.
 - (4) Establish Safeguards for electronic PHI: The County has established appropriate methods to safeguard electronic PHI in accordance with the HIPAA Regulations.

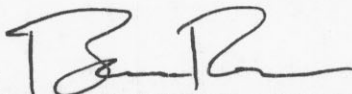
EXECUTION

IN WITNESS WHEREOF, this FLEXPLAN of Montgomery County, Maryland, has been amended effective January 1, 2006.

ATTEST:

Candy Ault

MONTGOMERY COUNTY, MARYLAND

By: 
Chief Administrative Officer

Date: 12/15/05

SCHEDULE A

CHOICE PLAN

Type of Benefit	Benefit Plans and Providers	Coverage Options
<u>Basic life insurance</u> Premium split: <ul style="list-style-type: none"> • 80% County • 20% Employee (after-tax) 	<ul style="list-style-type: none"> • Term life insurance • Accidental death and dismemberment (AD&D) • Business travel accident (BTA) 	Mandatory Benefit
<u>Long term disability (LTD)</u> Premium split: <ul style="list-style-type: none"> • 80% County • 20% Employee (after-tax) 	<ul style="list-style-type: none"> • LTD1 for Employees' Retirement System (ERS) members • LTD2 for Retirement Savings Plan (RSP) members 	Mandatory Benefit for Full-time Employees (Part-time employees are not eligible for coverage, unless they are members of the RSP)
<u>Medical</u> Premium split: <ul style="list-style-type: none"> • 80% County • 20% Employee (pre-tax) 	<ul style="list-style-type: none"> • High Option POS Plan (Medical only) • Standard Option POS Plan (Medical only) • HMO 1 (Medical plus Rx) • HMO 2 (Medical only) 	<ul style="list-style-type: none"> • Self • Self + 1 • Family • No Coverage
<u>Dental</u> Premium split: <ul style="list-style-type: none"> • 80% County • 20% Employee (pre-tax) 	<ul style="list-style-type: none"> • Traditional plan • DHMO 	<ul style="list-style-type: none"> • Self • Self + 1 • Family • No Coverage - 2 year restriction for re-entry
<u>Vision</u> Premium split: <ul style="list-style-type: none"> • 80% County • 20% Employee (pre-tax) 	<ul style="list-style-type: none"> • Vision plan 	<ul style="list-style-type: none"> • Self • Self + 1 • Family • No Coverage - 2 year restriction for re-entry
<u>Prescriptions (Rx)</u> Premium split: <ul style="list-style-type: none"> • 80% County • 20% Employee (pre-tax) 	<ul style="list-style-type: none"> • High Option \$4/\$8 plan • Standard Option \$10/\$20/\$35 plan 	<ul style="list-style-type: none"> • Self • Self + 1 • Family • No Coverage

Type of Benefit	Benefit Plans and Providers	Coverage Options
<u>Optional life insurance</u> Premium split: <ul style="list-style-type: none"> 100% Employee (after-tax) 	<ul style="list-style-type: none"> Term life insurance Accidental death and dismemberment (AD&D) 	<ul style="list-style-type: none"> 1 x's basic annual earnings 2 x's basic annual earnings 3 x's basic annual earnings No coverage
<u>Dependent life insurance</u> Premium split: First level - <ul style="list-style-type: none"> 80% County 20% Employee (after-tax) Second and Third levels - <ul style="list-style-type: none"> 100% Employee (after-tax) 	<ul style="list-style-type: none"> Term life insurance 	<ul style="list-style-type: none"> \$2,000 spouse; \$1,000 child to age 21; \$100 newborn under age 6 months \$4,000 spouse; \$2,000 child to age 21; \$100 newborn under age 6 months \$10,000 spouse; \$5,000 child to age 21; \$100 newborn under age 6 months No Coverage
<u>Flexible Spending Account</u> Premium split: <ul style="list-style-type: none"> 100% Employee (pre-tax) 	<ul style="list-style-type: none"> Health Care Reimbursement Account Plan 	\$0 to \$2,500 in whole dollar amounts
<u>Flexible Spending Account</u> Premium split: <ul style="list-style-type: none"> 100% Employee (pre-tax) 	<ul style="list-style-type: none"> Dependent Care Reimbursement Account Plan 	\$0 to \$5,000 in whole dollar amounts

SCHEDULE B

SELECT PLAN

Type of Benefit	Benefit Plans and Providers	Coverage Options
<u>Basic life insurance</u> Premium split: 1/ <ul style="list-style-type: none"> • 76% County • 24% Employee (after-tax) 	<ul style="list-style-type: none"> • Term life insurance • Accidental death and dismemberment (AD&D) • Business travel accident (BTA) 	Mandatory Benefit
<u>Long term disability (LTD)</u> Premium split: 1/ <ul style="list-style-type: none"> • 76% County • 24% Employee (after-tax) 	<ul style="list-style-type: none"> • LTD1 for Employees' Retirement System (ERS) members • LTD2 for Retirement Savings Plan (RSP) members 	Mandatory Benefit for Full-time Employees (Part-time employees are not eligible for coverage, unless they are members of the RSP)
<u>Medical</u> Premium split: 1/ <ul style="list-style-type: none"> • 76% County • 24% Employee (pre-tax) 	<ul style="list-style-type: none"> • High Option POS Plan (Medical only) • Standard Option POS Plan (Medical only) • HMO 1 (Medical plus Rx) • HMO 2 (Medical only) 	<ul style="list-style-type: none"> • Self • Self + 1 • Family • No Coverage
<u>Dental</u> Premium split: 1/ <ul style="list-style-type: none"> • 76% County • 24% Employee (pre-tax) 	<ul style="list-style-type: none"> • Traditional plan • DHMO 	<ul style="list-style-type: none"> • Self • Self + 1 • Family • No Coverage - 2 year restriction for re-entry
<u>Vision</u> Premium split: 1/ <ul style="list-style-type: none"> • 76% County • 24% Employee (pre-tax) 	<ul style="list-style-type: none"> • Vision plan 	<ul style="list-style-type: none"> • Self • Self + 1 • Family • No Coverage - 2 year restriction for re-entry
<u>Prescriptions (Rx)</u> Premium split: 1/ <ul style="list-style-type: none"> • 76% County • 24% Employee (pre-tax) 	<ul style="list-style-type: none"> • High Option \$4/\$8 plan • Standard Option \$10/\$20/\$35 plan 	<ul style="list-style-type: none"> • Self • Self + 1 • Family • No Coverage

Type of Benefit	Benefit Plans and Providers	Coverage Options
<u>Optional life insurance</u> Premium split: <ul style="list-style-type: none"> 100% Employee (after-tax) 	<ul style="list-style-type: none"> Term life insurance Accidental death and dismemberment (AD&D) 	<ul style="list-style-type: none"> 1 x's basic annual earnings 2 x's basic annual earnings 3 x's basic annual earnings No coverage
<u>Dependent life insurance</u> Premium split: First level - <ul style="list-style-type: none"> 76% County 24% Employee (after-tax) Second and Third levels - <ul style="list-style-type: none"> 100% Employee (after-tax) 	<ul style="list-style-type: none"> Term life insurance 	<ul style="list-style-type: none"> \$2,000 spouse; \$1,000 child to age 21; \$100 newborn under age 6 months \$4,000 spouse; \$2,000 child to age 21; \$100 newborn under age 6 months \$10,000 spouse; \$5,000 child to age 21; \$100 newborn under age 6 months No Coverage
<u>Flexible Spending Account</u> Premium split: <ul style="list-style-type: none"> 100% Employee (pre-tax) 	<ul style="list-style-type: none"> Health Care Reimbursement Account Plan 	\$0 to \$2,500 in whole dollar amounts
<u>Flexible Spending Account</u> Premium split: <ul style="list-style-type: none"> 100% Employee (pre-tax) 	<ul style="list-style-type: none"> Dependent Care Reimbursement Account Plan 	\$0 to \$5,000 in whole dollar amounts

1/ Adjustment of Benefit Cost split for Part-time Employees:

Budgeted Work Hours per Week

30 to 39 hours per week

20 to 29 hours per week

10 to 19 hours per week

Benefit Cost Split

57% County Cost; 43% Employee Cost

38% County Cost; 62% Employee Cost

19% County Cost; 81% Employee Cost